RESPONSIBILITIES AND ORGANIZATION

The Congress of the United States
Congressional Budget Office
Rudolph G. Penner, Director

CONTENTS

PART I.	BACKGROUND AND RESPONSIBILITIES	1
	Statutory Tasks	1
	CBO Services	2
PART II.	ORGANIZATION	7
	Office of the Director	7
	Office of the General Counsel	8
	Office of Intergovernmental Relations	8
	Budget Analysis Division	9
	Fiscal Analysis Division	9
	Tax Analysis Division	10
	Natural Resources and Commerce Division	10
	Human Resources and Community Development Division	10
	National Security Division	11
	Interdivisional Coordination	11
APPENDIX.	CBO PANEL OF ECONOMIC ADVISERS	15

PART I.

BACKGROUND AND RESPONSIBILITIES

The Congressional Budget Office (CBO) furnishes the Congress key information relating to the U.S. economy, the federal budget, and federal programs. The nonpartisan agency assists Members of Congress in analyzing the interaction between the federal budget and the nation's economy, and in assessing the fiscal and budgetary consequences of legislative actions.

CBO was created by the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344) as part of a major effort by the Congress to reassert its constitutional authority over the federal budget. The Budget Act established a process whereby, each year, the Congress sets the appropriate level of federal revenues, spending, and debt. In annually enacting one or more concurrent resolutions on the budget, the Congress also determines the size of the federal surplus or deficit to be achieved.

The Budget Act created three Congressional institutions to carry out the process: a Committee on the Budget in both the U.S. House of Representatives and the U.S. Senate and the Congressional Budget Office. CBO is a Congressional support agency required to be professionally and politically unbiased. The office does not make policy recommendations, but presents options and alternatives for the Congress to consider.

STATUTORY TASKS

The principal duties assigned to CBO by the statute, as amended in 1982, are:

- To provide information to both the House and Senate Budget Committees on all matters within their jurisdictions and such additional reports as "may be necessary and appropriate";
- To provide information on request to the House and Senate Appropriations Committees, the House Ways and Means Committee, and the Senate Finance Committee; and

- To provide, at the request of any other Congressional committee, information compiled for the budgetary, taxing, and appropriating committees; plus, "to the extent practicable," additional requested information.

In other provisions, the law mandates that CBO carry out the following additional tasks: maintain current tabulations of Congressional revenue and spending actions ("scorekeeping"); prepare five-year cost estimates for bills reported from committees (except appropriating committees); project outlay estimates for bills providing new budget authority; supply tax expenditure and revenue information; report annual projections of new budget authority, outlays, and revenues for the coming five fiscal years; and estimate the costs to state and local governments of complying with proposed federal legislation.

CBO SERVICES

In providing the budget estimates called for by the Budget Act, as well as analyzing general economic and specific issues, the work of CBO takes many different forms. The law stipulates that the finished results of all CBO work be accessible to the public unless the committee requesting a particular undertaking explicitly directs otherwise. Accordingly, much of CBO's analysis takes the form of publications, and most of the remainder is available in unpublished working papers or memoranda. In addition, CBO staff members are regularly called upon to testify in Congressional hearings.

Economic Forecasts. CBO publishes biannual forecasts of the U.S. economy. These projections focus on such issues as unemployment, interest and inflation rates, the gross national product, and the overall short- and long-term outlook for the entire economy. Because the federal budget both affects and is affected by the national economy, these published reports provide the Congress with a framework and analytic basis for budgetary decisionmaking.

Baseline Budget Projections. CBO's annually published baseline projections start with the most recently completed budgetary decisions made by the Congress and show what would happen to the federal budget if no new policy decisions were made during the next five years. These baselines provide each new Congress with a benchmark against which it can measure proposed changes in taxing and spending policies.

Bill Cost Estimates. CBO prepares cost estimates for virtually every public bill reported by Congressional committees and shows how these legislative proposals would affect spending or revenues over the

next five years. Where appropriate, the agency also estimates the costs to state and local governments for carrying out federal legislation.

Analysis of the President's Budget. Each year CBO publishes an analysis of the President's budget that examines the scope and impact of the Administration's revenue and spending proposals. The proposed budget is recast using CBO's economic assumptions and estimating techniques.

Scorekeeping. CBO provides the Congress with up-to-date tabulations of Congressional action on revenue and spending bills. These tabulations are used to measure the status of Congressional budget actions against targets or limits specified in the concurrent resolutions on the budget. Scorekeeping estimates are derived from the analysis of the President's budget, baseline budget projections, and bill cost estimates.

Program Analysis. At the request of the Congress, CBO undertakes analyses, usually resulting in published papers, of specific program and policy issues that affect the federal budget. These studies, which historically have spanned the complete spectrum of federal activities, analyze current policies, develop alternative approaches to them, and project how these approaches would affect specific programs as well as the federal budget and the economy.

Annual Report on Budget Options. By April 1 each year, CBO furnishes to the House and Senate Committees on the Budget a report that includes a discussion of national budget priorities and examines alternative ways of allocating budget authority and budget outlays.

The Budget Act establishes the following priority of committees for CBO services: first, the House and Senate Budget Committees; second, the House and Senate Appropriations Committees, the House Ways and Means Committee, and the Senate Finance Committee; finally, all other Congressional committees. Committee requests take the form of a letter from the chairman or ranking minority member of a full committee of jurisdiction, or the chairman of a subcommittee of jurisdiction or a Budget Committee task force.

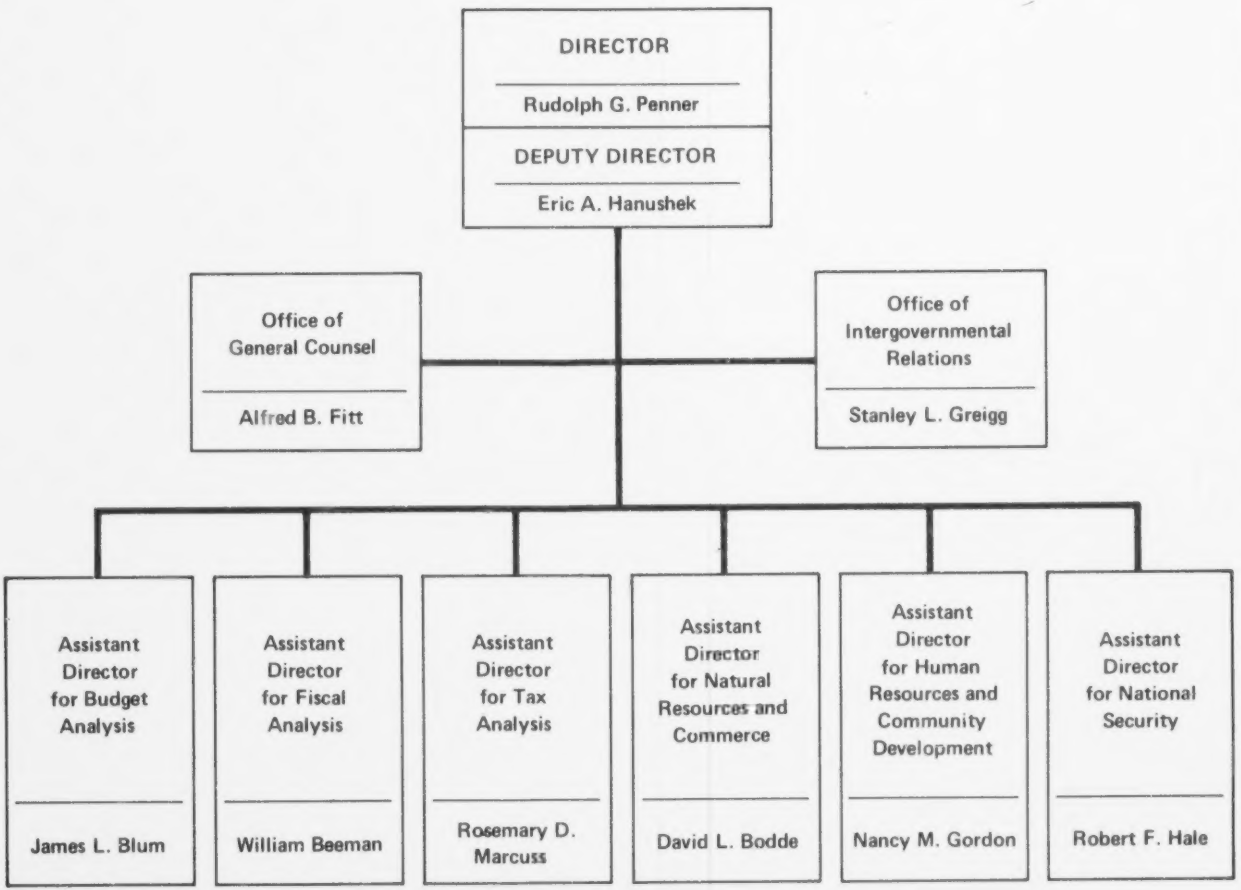
CBO's published reports are distributed to all Members of Congress. To request a publications list or specific publication, telephone CBO at (202) 226-2809, or write to:

Office of Intergovernmental Relations
Congressional Budget Office
House Office Building Annex #2
Second and D Streets, S.W.
Washington, D.C. 20515

Many CBO publications can be purchased from the Superintendent of Documents at the U.S. Government Printing Office. For information about exact costs and ordering, telephone (202) 275-3030, or write to:

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

40-137 O - 84 - 2


DIRECTOR
Rudolph G. Penner
DEPUTY DIRECTOR
Eric A. Hanushek
Office of General Counsel
Alfred B. Fitt
Office of Intergovernmental Relations
Stanley L. Greigg
Assistant Director for Budget Analysis
James L. Blum
Assistant Director for Fiscal Analysis
William Beeman
Assistant Director for Tax Analysis
Rosemary D. Marcuss
Assistant Director for Natural Resources and Commerce
David L. Bodde
Assistant Director for Human Resources and Community Development
Nancy M. Gordon
Assistant Director for National Security
Robert F. Hale

PART II.

ORGANIZATION

The Congressional Budget Office is organized into six divisions, reflecting the responsibilities specified in the Budget Act and, in part, the functional organization of the federal budget itself. The structure of CBO has remained constant since the agency's founding in 1975 and is diagrammed on the facing page.

CBO's staffing level is established by the Congress and is currently 222 positions. Only two positions are specified by the statute--Director and Deputy Director.

OFFICE OF THE DIRECTOR

The Director of CBO is responsible for seeing that all duties of the organization as specified in the Budget Act are performed effectively and in a manner most useful to the Congress. The Deputy Director assists the Director in the overall management of the organization and acts in the absence of the Director.

The Director is appointed for a four-year renewable term by the Speaker of the House of Representatives and the President Pro Tempore of the Senate, after they have considered the recommendations of both Committees on the Budget. The Deputy Director is appointed by the Director.

Director

Rudolph G. Penner was formerly Director of Fiscal Policy and Studies, and Resident Scholar, at the American Enterprise Institute for Public Policy Research. He previously served as Assistant Director for Economic Policy at the Office of Management and Budget, as Deputy Assistant Secretary for Economic Affairs at the Department of Housing and Urban Development, and as Senior Staff Economist at the Council of Economic Advisers.

Deputy Director

Eric A. Hanushek was formerly Chairman of the Department of Economics and Director of the Public Policy Analysis Program at

the University of Rochester. Before that he taught economics at Yale University and at the United States Air Force Academy. He also served as a Senior Staff Economist at the Council of Economic Advisers and as a Senior Economist with the President's Cost of Living Council.

Senior Analyst for Budget Process

Robert W. Hartman was formerly a Senior Fellow at The Brookings Institution, where he contributed to several annual studies of the federal budget. Previously, he served in the planning and evaluation office at the then Department of Health, Education and Welfare. He taught economics at Harvard University, Brandeis University, and the Graduate School of Public Policy, University of California (Berkeley).

OFFICE OF THE GENERAL COUNSEL

The General Counsel performs all legal work for CBO, interpreting applicable statutes, analyzing proposed legislation, and reviewing procurement actions.

General Counsel

Alfred B. Fitt, an attorney, previously served as Legal Advisor to the Governor of Michigan, General Counsel of the Army, Assistant Secretary of Defense (Manpower), and Special Advisor to the President of Yale University.

OFFICE OF INTERGOVERNMENTAL RELATIONS

The Office of Intergovernmental Relations (OIGR) serves three functions. First, the office is CBO's center of communications with the Congress, state and local governments, organizations outside the government, the news media, and the public. OIGR ensures that information on the budget and on CBO's activities is available at all times to Members of Congress and the public. As part of this mission, OIGR handles all aspects of publication and distribution of CBO's reports and studies.

Second, a program analysis unit in OIGR (General Government) studies budgetary issues relating to the organization and management of the federal government and the compensation of active and retired federal workers. Third, OIGR provides internal management and administrative support services for CBO, including personnel and financial

management, contracting, library services, and coordination with other Congressional support agencies.

Director, Office of Intergovernmental Relations

Stanley L. Greigg is a former Member of Congress from Iowa. He served as Director of Regional Administration in the U.S. Post Office Department. Before serving in the Congress, he was a city mayor and a college dean.

BUDGET ANALYSIS DIVISION

The Budget Analysis Division prepares the several types of bill cost estimates and spending projections called for in the Budget Act, including the development of the five-year projection reports on the total federal budget. The division also prepares the annual overview of the President's proposed budget and maintains the scorekeeping system. The division further supports Congressional committees by conducting continuing studies of budget reform proposals. It also develops automated budgetary information systems and provides computer support to other CBO divisions.

Assistant Director for Budget Analysis

James L. Blum, an economist and budget analyst, is a former Deputy Director of the Council of Wage and Price Stability, Acting Deputy Assistant Secretary of Labor for Planning and Evaluation, and Assistant Division Chief of the Office of Management and Budget for education and labor programs.

FISCAL ANALYSIS DIVISION

The Fiscal Analysis Division analyzes the U.S. economy, prepares projections of future economic conditions, and studies how that future could be affected by different economic developments or policies. The economic projections serve the two Budget Committees in developing the concurrent resolutions on the budget and the entire Congress as it considers and passes the budget. The division's analyses focus on such issues as inflation, employment, production, incomes, international economic affairs, and credit, as well as on the interaction of those issues with the federal budget. Although CBO does not have its own large-scale econometric model, its forecasts are based on information from the major econometric models and other forecasting services that are available commercially, along with the advice of a distinguished panel of advisers who represent a wide spectrum of economic views. (See Appendix for current list.)

Assistant Director for Fiscal Analysis

William Beeman, an economist, was formerly with the Federal Reserve Board, where he served as Chief of the National Income Section. Previously, he had been an Assistant Professor of Economics at the University of Maine.

TAX ANALYSIS DIVISION

The Tax Analysis Division is responsible for estimating tax revenues, analyzing tax expenditures, and preparing related studies. It analyzes the U.S. tax structure and proposed changes to that structure, focusing on issues such as effect on the economy, budgetary effect, efficiency, and distributional implications.

Assistant Director for Tax Analysis

Rosemary D. Marcuss, an economist, formerly Deputy Assistant Director for Tax Analysis at CBO, has been an economist at Data Resources, Inc., and a junior staff member of the President's Council of Economic Advisers.

NATURAL RESOURCES AND COMMERCE DIVISION

The Natural Resources and Commerce Division serves Congressional committees that deal with agriculture, energy, the environment, industry and trade, public works infrastructure, and research development and technology. The division provides policy analyses for the use of these committees in preparing and evaluating legislation.

Assistant Director for Natural Resources and Commerce

David L. Bodde served as Deputy Assistant Secretary, U.S. Department of Energy, where he was responsible for development of energy policy. Previously, he was a manager with TRW, Inc., and served in the U.S. Army.

HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION

The Human Resources and Community Development Division provides analysis of programmatic and budgetary issues in the areas of income assistance, Social Security, health, education, employment and training, social services, housing, and community development. Its studies exam-

ine the costs and other effects of current programs and legislative proposals in these areas.

Assistant Director for Human Resources
and Community Development

Nancy M. Gordon, an economist, formerly served as Senior Adviser to the Assistant to the President. Previously, she had been a Senior Research Associate at the Urban Institute and an Associate Professor at Carnegie-Mellon University.

NATIONAL SECURITY DIVISION

The National Security Division prepares analyses of budgetary issues related to national defense. Its studies deal with military manpower, strategic forces, general purpose forces, and other programs of the Department of Defense. These analyses examine the costs and other effects of current defense programs, proposed legislation, and programmatic alternatives of interest to Congressional committees.

Assistant Director for National Security

Robert F. Hale is a former staff member of the Center for Naval Analyses. He previously served as Principal Analyst and Deputy Assistant Director in the division he now heads.

INTERDIVISIONAL COORDINATION

Although CBO's divisions have different functions, they necessarily work closely with one another. The economic assumptions developed by the Fiscal Analysis Division directly enter the cost estimates, projections, and issue analyses performed by the Budget Analysis Division, the Tax Analysis Division, and the other program divisions. The budgetary estimates developed by the Budget Analysis Division often depend on the studies done by the Human Resources, Natural Resources, and National Security divisions. The Tax Analysis Division makes extensive use of information and analyses developed by the program divisions in analyzing federal tax expenditures and related spending and loan programs. Finally, the underlying cost data developed in connection with analytical studies are often supplied by analysts in the Budget Analysis Division.

The crosswalk among CBO's divisions is essential to its ability to provide accurate cost estimates and comprehensive analysis of alternative legislative strategies.

APPENDIX

APPENDIX

CBO PANEL OF ECONOMIC ADVISERS

Barbara Bergmann
Professor of Economics
University of Maryland

Barry P. Bosworth
Senior Fellow
The Brookings Institution

Dewey J. Daane
Frank K. Houston Professor of Banking
Graduate School of Management
Vanderbilt University

Alan Greenspan
President, Townsend-Greenspan
& Company, Inc.

Douglas Greenwald
Consulting Economist
New York, New York

Walter W. Heller
Regents' Professor of Economics
University of Minnesota

Walter E. Hoadley
Executive Vice President, Retired
Bank of America

F. Thomas Juster
Director, Institute for Social Research
University of Michigan

Lawrence R. Klein
Benjamin Franklin Professor of Economics
University of Pennsylvania

Paul W. McCracken
Edmund Ezra Day Distinguished
Professor of Business Administration
University of Michigan

John Makin
Director, Fiscal Policy Studies
American Enterprise Institute

Leif H. Olsen
Chairman, Economic Policy Committee
Citibank, N.A.

Rudolph Oswald
Director, Research Department
AFL-CIO

Joseph A. Pechman
Senior Fellow
The Brookings Institution

George L. Perry
Senior Fellow
The Brookings Institution

Alice M. Rivlin
Director, Economic Studies
The Brookings Institution

Paul Samuelson
Institute Professor
Department of Economics
Massachusetts Institute of Technology

Charles L. Schultze
Senior Fellow
The Brookings Institution

Robert Solow
Institute Professor
Department of Economics
Massachusetts Institute of Technology

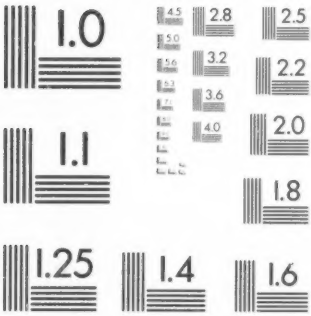
Herbert Stein
Senior Fellow
American Enterprise Institute

James Tobin
Sterling Professor of Economics
Yale University

Michael G. Wellman
Director, Planning and Research
K Mart Corporation

CONGRESSIONAL
BUDGET OFFICE
Second and D Streets, S.W.
Washington, D.C. 20515

MICROCOPY RESOLUTION TEST CHART
NBS - 1010a
(ANSI and ISO TEST CHART No. 2)



PHOTOGRAPHIC SCIENCES CORPORATION
770 BASKET ROAD
P.O. BOX 338
WEBSTER, NEW YORK 14580
(716) 265-1600

24:1